

_____ BILL NO. _____

INTRODUCED BY _____
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A REFUNDABLE INDIVIDUAL INCOME TAX CREDIT FOR PROPERTY TAXES PAID ON A PROPERTY TAXPAYER'S PRINCIPAL RESIDENCE FOR THE 95-MILL STATE EQUALIZATION LEVIES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Refundable income tax credit -- statewide equalization property tax levies on principal residence. (1) There is a credit against the tax imposed by this chapter for the amount of property taxes imposed and paid on a property taxpayer's principal residence under 20-9-331, 20-9-333, and 20-9-360.

(2) "Principal residence" means a class four residential dwelling and appurtenant land, not to exceed 5 acres, occupied by the owner for at least 9 months during the tax year.

(3) A credit may not be claimed under this section on:

- (a) property that is subject to delinquent property taxes; or
- (b) property tax penalties or interest.

(4) If during any tax year a refund of property taxes is paid to a claimant because of a property tax appeal, court action, change in law, or other circumstance and a credit was claimed under this section by the claimant in the year that the refunded property tax was levied, the amount of the tax due under 15-30-103 must be increased by the amount of the refund attributable to the credit allowed in the tax year in which the credit was taken.

(5) If the amount of the credit exceeds the claimant's liability under this chapter, the amount of the excess must be refunded to the claimant. The credit may be claimed even though the claimant has no income taxable under this chapter.

(6) A deduction or credit is not allowed under any other provision of this chapter in respect to any amount for which a credit is allowed under this section.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [section 1].

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 4. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 2006.

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